



# Senator Mike Hewitt

## 2012 Session Review

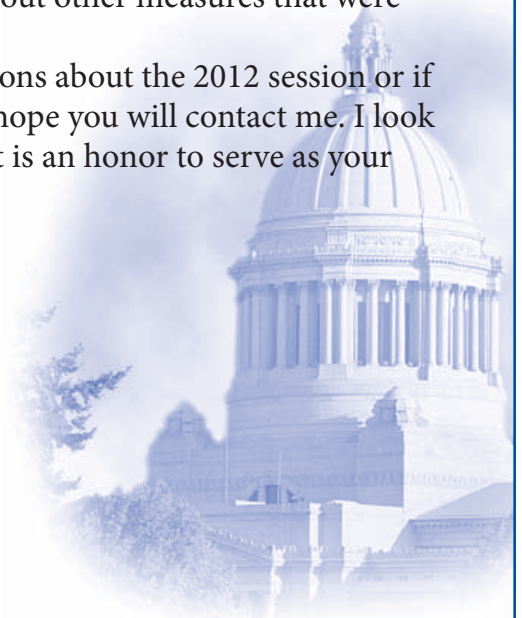
Dear Friends and Neighbors,

The 2012 legislative session was a very consequential one. The biggest – and in my view, the most encouraging – news to come out of the session was the formation of a bipartisan, philosophical majority in the Senate focused on reforms and a more sustainable budget. You will find more in this newsletter on that topic. You'll also find details about other measures that were before the Legislature this year.

If you have additional questions about the 2012 session or if I can be of assistance to you, I hope you will contact me. I look forward to hearing from you. It is an honor to serve as your state senator.

Sincerely,

Senate Republican Leader  
Washington State Senate  
16th Legislative District



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## The state budget, key reforms and the importance of getting it right

For many years I have been sounding the alarm that our state budget is not sustainable. In fact, back in 2008 I created an index-sized card on the topic that I still carry with me. The card noted that spending had increased 33 percent over the prior four years, and that state government was spending 2-1/2 times more than it collected in revenue. It's easy to see why that doesn't pencil out.

After we began the legislative session in January, Senate Republicans, along with a group of moderate Democrats, came together to form a coalition of legislators pushing for major, long-lasting reforms that will make our state budget more sustainable over the long term. We were advocating for "reforms before revenue" – in other words, look to long-term

structural reforms before even looking to new revenue sources.

On March 2, the bipartisan Senate coalition passed a budget proposal that included reforms, kept spending in line with revenue and had the 25 votes necessary to get the budget process moving. Negotiations toward a sustainable budget and reforms continued into a special session. Although we were in Olympia a few weeks longer than planned, it was worth the extra time to hold out for money-saving reforms and get it right. Without enacting those changes, state government will just keep facing the same deficits year after year. See page 2 for more details about those reforms.

## Landmark reforms take center stage

Thanks to the formation of a bipartisan coalition in the Senate this year, we were able to keep the focus on enacting significant reforms that will make our state budget more sustainable into the future. Here are some of the reforms we were able to get passed and enacted into law:

- **Taking a longer view on state budgets.** Today state government balances its budget based on a two-year model. One of the reforms passed this year will require budget writers to look ahead four years rather than just two. This change, the first of its kind in the nation, will provide more stability, predictability and transparency in state budgeting. It will also prevent future Legislatures from adopting budgeting gimmicks that create built-in debt, such as pushing today's payments into the next biennium or adopting "feel-good" legislation without identifying how to pay for it.
- **Addressing our long-term pension liabilities.** State employee pensions are one of state government's biggest cost-drivers. This year we passed legislation that will make changes to pensions for future state employees hired after May 2013. *This change will not affect any current state employees.* Under the measure, future employees will still be able to retire early after 30 years of service, but at a reduced benefit of 5 percent per year before age 65. This reform will save public employers and taxpayers \$1.3 billion over the next 25 years and bring state employee retirement options closer to those offered by many private-sector employers. The reform also reduces the level of assumed rate of return over time, providing greater certainty that pension funding assumptions will match actual investment returns.
- **Reducing our state's debt.** Like many people, I am concerned about the issue of growing government debt at the state and national levels. According to national credit-rating agency Moody's, Washington's debt is the eighth-highest per capita in the nation. One of the major reforms passed this year is a constitutional amendment that will reduce our state's debt limit from 9 to 8 percent over time. Because this is a constitutional amendment, it will go before voters in November.



*Sen. Mike Hewitt addresses his Senate colleagues.*

- **Easing future financial liability by eliminating unfunded laws.** In 2000 voters passed Initiative 728, related to class sizes. Although the Legislature has not funded the measure in the past several budgets, it remains on the books as a liability on our balance sheet. The Legislature passed a bipartisan measure this year that repeals the requirement to provide funding for this initiative. It also creates a task force to begin immediately working on how to address the recent state Supreme Court ruling on basic-education funding.
- **Working toward more affordable health insurance coverage for school employees.** Many school employees have told me that their health insurance premiums have become unaffordable. And no wonder – some of them are paying up to \$1,500 a month for coverage. Compare that to state employees, who pay at most just under \$300 a month. There was a proposal before the Legislature this year to bring those costs down by moving the state's 295 school districts into an insurance pool, like the one we have for other public employees. The measure as passed did not create the pool, but it did do something very significant: require transparency around how those health care dollars are being spent. This new transparency will help us make more informed decisions about the financial stability of the system as a whole and help us find ways to make premiums more affordable for school employees.

## Other major bills from the session

Here are several bills you may have read about that passed the Legislature this session:

- **Teacher/principal evaluations.** On March 8 the governor signed into law Senate Bill 5895, a measure that uses improvement in student test scores as a factor in personnel decisions for teachers starting in the 2015-16 school year. It also sets new guidelines for principals, including a requirement to use teacher feedback in their evaluations.
- **Redefining marriage.** Senate Bill 6239, which I voted against, legalizes gay marriage in Washington. Opponents have filed a measure seeking a referendum on the new law. Supporters of Referendum 74 have until June 6 to collect and submit the required number of valid signatures to put the issue on the November ballot. If supporters collect and submit the signatures by the deadline, the right of same-sex couples to marry, which would otherwise go into effect the following day, would be put on hold until voters decide on the issue in November.
- **Changes to the Discover Pass.** In 2011 the Senate passed a measure creating the Discover Pass to help fund state parks. Last summer I heard from many

of you about the inability of the pass to transfer from one vehicle to another. This session the Legislature passed a law, which I supported, making the Discover Pass transferable between two vehicles.

- **Insurance exchange.** You may have followed the recent arguments in the U.S. Supreme Court on the federal health-care (“Obamacare”) lawsuit. Despite the uncertainty around this issue, many states – including Washington – continue to march toward its implementation on a state level. That’s what happened in our state this year with passage of a bill to begin implementation of a health-care exchange in our state. The measure, which I voted against, puts in place specific laws and rules, including dictating where and how citizens and employers may purchase coverage and what must be included in that coverage. It is very concerning that the Legislature would weave this policy into state law when there’s a risk the federal government may back out. If that happens, not only will we still have the rules and laws in place, but the federal funding may not come through, forcing state government to pick up the tab.

## On the local front

This year the Legislature addressed several issues of local interest. Among them:

- **Red Mountain-area interchange.** I am happy to report that the final transportation budget included \$1.2 million for pre-design and analysis of an interchange in the Red Mountain area. Once fully funded and built, this interchange will provide direct access off I-82 to West Richland and a route to the Red Mountain American Viticulture Area.
- **Walla Walla State Veterans’ Home.** There are three veterans’ homes in Washington – one in Orting, one in Spokane and another near Port Orchard – with the capacity to serve more than 500 veterans. This year I sponsored legislation to authorize the creation of the Walla Walla State Veterans’ Home. Although the Senate passed the veterans’ home measure, it did not ultimately pass the House. The facility has already received \$2.4 million in state funds for project design, and the federal government has committed funds toward its \$35.1 million



*Design visualization of proposed SR 224 and SR 225 interchange at Red Mountain.*

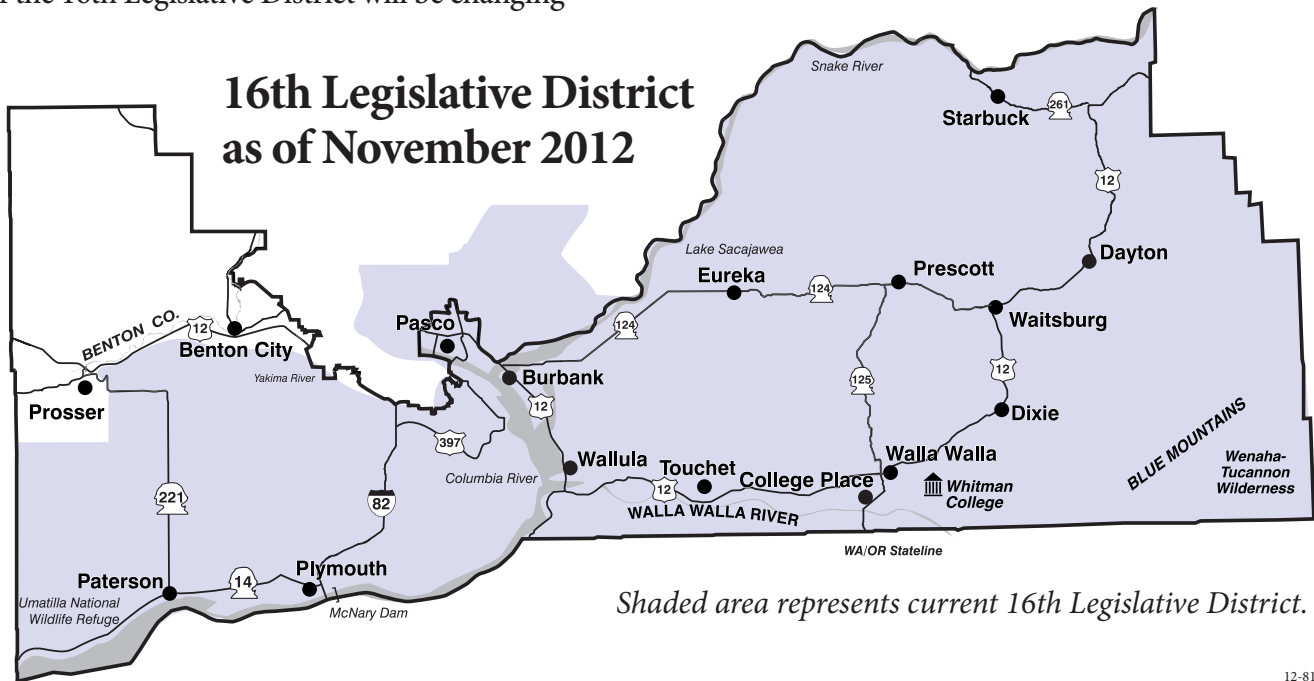
cost. There are 52,000 veterans in the region who need our help to make this project a reality. I will continue to advocate for full funding of this facility.



## The 16th Legislative District will be changing

Every 10 years following the national Census, states update their legislative and congressional district boundaries. As a result of this process, the boundaries of the 16th Legislative District will be changing

in November. The district will change quite a bit, expanding west to include Prosser and Benton City and the areas north and west of those communities.



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**Senator  
Mike Hewitt**



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